
TOO GOOD TO BE TRUE....

A Column on Consumer Issues
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Making Sure On-Line Auctions Are On The Level

On-line auctions are an increasingly popular way to buy and sell unique items, but they also are generating a lot of complaints from consumers. The Internet Fraud Watch, operated by the National Consumers League at www.fraud.org, says on-line auctions are the most likely type of on-line purchase to generate a consumer complaint.

A key point to remember when you buy something from an on-line site, such as eBay.com, is that you often are purchasing from a private individual. The website is only a clearinghouse to bring buyers and sellers together. If you have a problem with a sale or purchase, you are on your own. Government and non-profit consumer fraud agencies generally will not intervene in private sales transactions between two individuals.

The following is some general advice for dealing with on-line auction sales:

*Know your Internet site. Some auction websites list items without verifying if they actually exist or are described accurately.

*Get information about where the seller is physically located. Get a telephone number, street address and name. Verify this information, if possible. If you cannot obtain or confirm this information, do not buy. Keep in mind, some unscrupulous sellers use fictitious names and addresses.

*If a seller is a business, check the Better Business Bureau and Attorney General's office in the state where the business is located to determine if anyone has complained about the company. Remember, however, that a clean complaint record may not mean you will have a problem-free transaction.

*Get information about the company's policies on returns, deliveries, warranties and service. Insist that the shipment be insured and know what you can do if you have problems with the item. Remember, a company's policy or warranty is only as good as the company behind it.

*Be careful about claims regarding collectibles. You cannot assume anything about the appraised value of an item. So get a clear, written description of the item before you pay anything.

*Pay by credit card. Con artists love cash, so be wary of sellers who insist on cash-only terms. Wire service is another method of paying, especially to individuals outside of the

United States. Do not wire money to a foreign country. Charges to credit cards, on the other hand, can be disputed if a problem arises.

*Consider using an escrow agent or COD. An escrow agent acts as a go-between to make sure you get your merchandise and the seller gets your payment. You will pay for this service—eBay charges five percent of the cost of the item—but it might be your best protection, especially if you are buying from an individual. "Cash on Delivery" is another option which may help protect a buyer when dealing with a private seller.

*Complain to the auction site if you have a problem. Some sites will investigate phony bidders or sellers. The site's manager will want to know who is abusing the site, and may bar repeat offenders.

*Think twice about doing business outside of the United States. Once money is sent out of the United States, jurisdictional issues become a factor in recovering money if the merchandise is not received.

Sales made via the Internet are becoming more common; therefore consumers are becoming more relaxed with this type of transaction. Although many people have had much success buying (or selling) over the Internet, it can still be risky. Ask yourself these questions:

- Can you can afford to lose the money you're sending. If not, you may wish to find other sources to purchase the item.
- Again, is the seller an individual or a business? Be particularly cautious about sending money to an individual. Some individuals give themselves a name to imply they are a business or they create a website that looks very professional as if it is a business. A name or website does not mean that it is a reputable business.
- How did you become involved with the seller? Many times victims of Internet auction fraud did not win the bid but they contacted by another individual who says he has a similar item available for sale. Be skeptical about the contact. If you have any questions, don't enter in to a transaction.

Shopping via the Internet can be fun and exciting. But it can also be disappointing and expensive. If you use good consumer skills, you might be less likely to become of victim of Internet auction fraud.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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